Trades Training Consortium British Columbia

2012/13 Annual Service Plan Report

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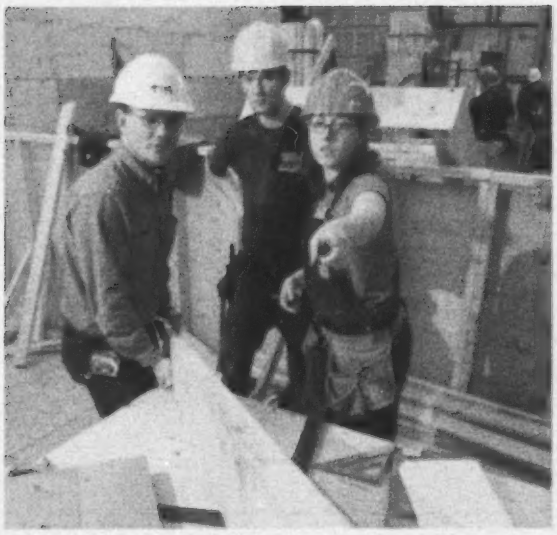

CARPENTRY

For further information on
Trades Training BC
contact us at:
Trades Training BC
c/o 101-1124 Fort Street
Victoria, BC V8V 3K8
jimreed@synachor.com
http://www.tradestrainingbc.ca/

BRITISH COLUMBIA

PIPING

COOK

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MESSAGE FROM THE CHAIR TO THE MINISTER RESPONSIBLE

Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training and Minister Responsible for Labour

On behalf of the Directors, I am pleased to present the Trades Training Consortium of British Columbia's (TTBC) Annual Service Plan Report for the 2012/13 fiscal year. TTBC was brought into the Government Reporting Entity (GRE) in March 2012, and this Annual Report is TTBC's first that has been prepared as a newly designated GRE.

TTBC was established as a not-for-profit Society in 2005 by 14 public post-secondary educational institutions to promote trades training in British Columbia and to develop a system-wide trades training plan.

Over the past 12 months TTBC has worked closely with the 14 trades training institutions and Government in order to meet the two key goals as stated in its 2013/14 – 2015/16 Service Plan:

- Goal 1: Coordinate the development of a system-wide public training plan; and
- Goal 2: Continue to support Government priorities related to trades training in the province, specifically in regards to the British Columbia Skills and Training Plan areas of action.

In addition, TTBC continued to work with Government during the year in order to meet the following specific actions stated in the 2012/13 Government Letter of Expectations (GLE):

- As a top priority, work collaboratively with the Ministry of Advanced Education, Innovation and Technology and Minister Responsible for Multiculturalism (AEIT) to clarify the priorities and mandate of the Consortium, with respect to the Consortium being newly designated as a GRE; and
- Continue to support Government priorities related to trades training in the province, specifically in regards to the following British Columbia Skills and Training Plan areas of action:
    - i) Promoting and profiling today's training options for tomorrow's careers in skilled trades and technical fields; and
    - ii) Working with the Public Post-Secondary Trades Training providers and the Industry Training Authority (ITA) to help ensure the right mix and quality of trades and technical programs are available to British Columbians throughout the province.

In 2012/13 TTBC was funded primarily through fee contributions and in-kind support from its 14 post-secondary institution members. TTBC did not receive any operational funding support from Government in 2012/13, it managed its activities within available revenue and in-kind contributions, and continued to work cooperatively with the ITA and Government on addressing the trades skills requirements of BC's workforce.

The Province's labour market forecasts project a significant trades' skills gap in future years, and it will be important for TTBC to continue to provide advice and facilitate collaboration between the trades training institutions and their industry partners so that the institutions deliver effective trades programs and are in a position to respond to regional labour market requirements. TTBC appreciates the assistance and advice of the Ministry of Advanced Education over the past year, and looks forward to continuing TTBC's role to work cooperatively with the ITA and Government on addressing the advanced skills requirements of BC's workforce.

The 2012/13 TTBC Annual Report was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The Board is accountable for the contents of the Report, including what has been included in the Report and how it has been reported.

The information presented reflects the actual performance of TTBC for the twelve months ended March 31, 2013.

The Board is responsible for ensuring internal controls are in place to ensure information is measured and reported accurately and in a timely fashion. All significant assumptions, policy decisions, events and identified risks, as of June 7, 2013, have been considered in preparing the Report. The Report contains estimates and information that represent the best judgment of management. Since TTBC was brought into the GRE in March 2012, it did not prepare a 2012/13 – 2014/15 Service Plan; the mandate direction, goals, strategies, measures and targets outlined in the Report are in alignment with TTBC's 2013/14 – 2015/16 Service Plan and any significant changes or limitations in the reliability of data have been identified in the Report.

Yours truly,

Ralph Nilson, Ph.D., Chair, TTBC
President and Vice-Chancellor,
Vancouver Island University

June 12, 2013

AUTOMOTIVE

ORGANIZATIONAL OVERVIEW

TTBC was established as a not-for-profit Society in 2005 by 14 public post-secondary educational institutions to promote trades training in British Columbia and to contribute to the development of a system-wide trades training plan that aligns with BC's labour market. TTBC facilitates collaboration and partnerships between the 14 member institutions and looks for innovative ways to leverage the public training infrastructure, to address the labour market requirements of BC. TTBC acts as an advocate for the public training educational institutions in their communication with the ITA, the public, government, industry and other stakeholders. The 14 member institutions, which carry out the public trades training programming, each have their own mission statement, vision, values and strategic priorities.

TTBC has also developed, and currently manages, a trades training website (www.tradestrainingbc.ca) that serves as a portal to provide trades information and direct students and employers to apprenticeship or foundation programs offered at one of the 14 member institutions in BC.

MANDATE

TTBC continued to work collaboratively with the Ministry of Advanced Education during the 2012/13 year to clarify its mandate, which is outlined below:

- produce a system-wide trades training plan;
- promote collaboration between public trades training institutions in British Columbia;
- encourage and support communication and coordination among British Columbia educational institutions and businesses regarding issues related to trades training;
- act as a liaison and representative for the 14 member trades training institutions;
- undertake special projects in connection with trades training, policy funding or public awareness; and
- carry on other activities similar to and not inconsistent with the foregoing as the members decide from time to time.

CORE BUSINESS AREAS

TTBC's primary purpose is to help coordinate the development of the annual public trades training plan for BC, and to serve as a forum by which the training leaders, primarily post-secondary institutional Presidents and Trades Deans, share information on emerging issues or requirements of the public training system. TTBC also develops strategies that align public post-secondary institutional capacity with the demand for trades training in BC. The strategies include providing advice to the Government and industry on the forecasted public skills and trades training required, thereby directly supporting the economic growth of the province.

GOVERNANCE

TTBC is legally constituted as a BC not-for-profit Society. It was created by the 14 public post-secondary trades training institutions and operates in a manner similar to other small not-for-profit societies in BC. TTBC's governance model involves a Board of Directors, comprised of the Presidents of the 14 member public post-secondary institutions. There is a President, VP/Treasurer, an additional VP and a Secretary. Each year the Society appoints a President, Vice President, Treasurer and Secretary to direct the goals of the Society. The current Membership and Board of Directors are as follows:

Institution (Member)	Director	Institution Title
BC Institute of Technology	Chris Golding	A/President
Camosun College	Kathryn Laurin	President
College of New Caledonia	John Bowman	President
College of The Rockies	Nick Rubidge	President
Kwantlen Polytechnic University	Alan Davis	President
North Island College	Jan Lindsay	President
Northern Lights College	Laurie Rancourt	President
Northwest Community College	Denise Henning	President
Okanagan College	Jim Hamilton	President
Selkirk College	Angus Graeme	President
Thompson Rivers University	Alan Shaver	President
University of the Fraser Valley	Mark Evered	President
Vancouver Community College	Kathy Kinloch	President
Vancouver Island University	Ralph Nilson	President

BOARD COMMITTEES

There are currently no standing committees of the Board. TTBC, at times, establishes task groups that are issue specific and time limited and resourced by volunteers from the member institutions. TTBC's Board operates as a Committee of the Whole and all primary decisions are made by the Board. TTBC's Board relies on advice from a management committee on policy, funding and operational matters; this committee is comprised of the Board Secretary (who chairs the Committee) and four other financial, enrolment planning or technical resources from member institutions.

REPORT ON PERFORMANCE

GOALS, OBJECTIVES, STRATEGIES, MEASURES AND TARGETS

Since TTBC is a newly designated Crown Corporation, the Society did not prepare a 2012/13 – 2014/15 Service Plan. The two goals, and related performance measures and targets, that are outlined below were developed for TTBC's inaugural 2013/14 – 2015/16 Service Plan; this 2012/13 Annual Report does therefore not contain specific information related to the performance measures and targets being met or not met. In place of reporting on the specific targets and measures, TTBC has provided a summary of the 2012/13 year's activities and results in relation to the two goals and four measures outlined below.

GOAL 1: TO COORDINATE THE DEVELOPMENT OF A SYSTEM-WIDE PUBLIC TRADES TRAINING PLAN

OBJECTIVES

1a. Facilitate collaboration and coordination with public trades training institutions

1b. Align supply of training with labour market requirements

1c. Raise awareness of public trades training available for the BC labour market

KEY STRATEGIES

1a. Collaborating and sharing information on labour market demand and institutional capacity

1b. Special projects that raise awareness of opportunities associated with trades training in BC

GOAL 1 PERFORMANCE RESULTS - 2012/13

1. Worked in partnership with the 14 public trades training institutions to successfully complete the system-wide Trades Training Plan as per the agreement established with ITA.

2. Worked with the 14 public trades training institutions to ensure the Target System Utilization Rates for Apprentice and Foundation seats were met.

3. Continued to improve the system-wide trades training planning process, including reviewing ways to improve data compilation and reporting during the year.

GOAL 2: CONTINUE TO SUPPORT GOVERNMENT PRIORITIES RELATED TO TRADES TRAINING IN THE PROVINCE, SPECIFICALLY IN REGARDS TO THE BRITISH COLUMBIA SKILLS AND TRAINING PLAN AREAS OF ACTION

OBJECTIVES

2a. Promote and profile today's training options for tomorrow's careers in skilled trades and technical fields

2b. Work with the Public Post-Secondary Trades Training providers and the ITA to help ensure the right mix and quality of trades and technical programs are available to British Columbians throughout the province

KEY STRATEGIES

2a. Develop a communications and marketing strategy that increases awareness of trades training opportunities for youth

2b. Strengthen collaboration within the public training system as well as relationships between industry stakeholders

GOAL 2 PERFORMANCE RESULTS - 2012/13

TTBC initiated a promotional campaign, targeted at encouraging youth in grades 4 to 12 to consider a career in the trades occupations – with supporting information and resources for parents and teachers. The campaign was called Discover Trades BC. It contained print, video, social media and web-based components and was well received by the K-12 school system, the ITA, and Government. TTBC staff also held meetings and consulted directly with the Trades Deans of the 14 member institutions, discussing system-wide issues on policy, funding, program planning and marketing; the input received during the meetings was provided to the ITA and government in an effort to help further improve the efficiency and effectiveness of the trades training system in the province.

PERFORMANCE MANAGEMENT AND REPORTING SYSTEMS

TTBC utilizes an in-house data base (on course enrolments, utilization by Foundation and Apprenticeship) and bi-yearly reports (summaries of course enrolments and utilization by institution and for the public training system) from member institutions to determine the status of the overall BC trades training plan (e.g. individual institutional performance against targets as well as the public training system collectively) and recommend training plan adjustments.

Regular reporting and input from the Trades Deans at quarterly meetings ensures TTBC remains informed on training plan performance. This process involves self-assessment and accountability between member institutions. Funding provisions within the ITA Letter of Agreement (signed with each of the 14 member institutions), specifies the number and type of trades training seats to be funded and is tied to each institution's performance on the utilization targets as well as the aggregated system targets. Member institutions are motivated to not only meet their individual targets but to also ensure other member institutions do as well.

GOVERNMENT'S LETTER OF EXPECTATIONS

The first Government's Letter of Expectations (GLE) was provided to TTBC for 2012/13. The following Table sets out the commitments made by the Board to the Ministry for the 2012/13 fiscal year.

Government's Letter of Expectations	TTBC Alignment
1. Continue to work collaboratively with the Ministry of Advanced Education, Innovation and Technology and Minister Responsible for Multiculturalism (the Ministry) to clarify the priorities and mandate of the Consortium, with respect to the Consortium being designated as a newly formed Crown Corporation.	1. Monthly communications were undertaken with the responsible Ministry Executive Director and quarterly meetings held with the appropriate Assistant Deputy Ministers in the Ministry of Advanced Education.
2. Continue to support Government priorities related to trades training in the province, specifically in regards to the following British Columbia Skills and Training Plan areas of action: ▪ Promoting and profiling today's training options for tomorrow's careers in skilled trades and technical fields; and ▪ Working with the Public Post-Secondary Trades Training providers and the Industry Training Authority to help ensure the right mix and quality of trades and technical programs are available to British Columbians throughout the province	2. Executive TTBC management oversight was provided on the Trades Marketing Campaign project, including the provision of regular reports to the Ministry. This included scheduled meetings of the TTBC Management Committee (which receives reports on project status), as well as participation on Ministry steering committees. TTBC continued to update and operate the web portal (www.tradestrainingbc.ca) during the year, to provide information on apprenticeship and foundation programs offered at member institutions in BC. Worked in partnership with the 14 member institutions to negotiate the overall terms of the ITA annual Letter of Agreement, which includes the planning and delivery of trades training programs in BC; Maintained internal management (TTBC Management Committee) and operational controls (BC Association of Trades and Technical Administrators, BCATTA); Held quarterly meetings of TTBC Board of Directors and BCATTA to provide advice and guidance, and help ensure the terms of the ITA annual Letter of Agreement were being met by the member institutions.
Climate Change	
3. Climate Change	3. Actions to address this requirement were executed through the individual member institutions' service plans

FINANCIAL REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

A summary of TTBC's financial results for 2012/13 is provided below. The Summary Financial Chart details TTBC's 2012/13 operations and actual budget, as well as forecast figures for the next three years. The forecasts are consistent with 2013/14 – 2015/16 Service Plan. TTBC provides audited financial statements to the Registrar of Societies, and the Summary Financial Chart below reflects the current and planned budget of the Society.

TTBC did not receive any operational funding support from Government in 2012/13, and it ended the fiscal 2012/13 year in a small deficit position. Overall, 2012/13 expenditures totaled $ 417,983, and revenues totaled $ 412,746. Revenues for the 2012/13 year were slightly lower than expected, while expenditures were slightly higher than expected. TTBC manages and adjust expenditures throughout the year to ensure they align with projected revenues; it will make appropriate adjustments to revenue and expenditures to eliminate the small deficit from 2012/13 and balance its subsequent years' budgets..

TTBC financial reports were changed in 2011/12 to comply with requirements as a GRE. The 2012/13 summary is the first year as a GRE and is used as the departure point for subsequent years' reports.

Summary Financial Chart

Carry Forward and Revenues	**2012/13 Budget**	**2012/13 Actual**	**2013/14 Budget**	**2014/15 Budget**	**2015/16 Budget**
Membership Dues(1)	$ 100,000	$100,000	$ 100,000	$ 100,000	$ 100,000
Other Revenue					
Contribution Revenues (2)	$ 373,922	$ 301,122	$ 212,110	$ 198,518	$ 182,500
Interest Income	$ 5,000	$ 11,624	$ 8,000	$ 6,000	$ 4,000
TOTAL CARRY FORWARD AND REVENUES	**$ 478,922**	**$ 412,746**	**$ 320,110**	**$ 304,518**	**$ 286,500**
EXPENSES					
Project Expenses (3)	$ 256,200	$ 301,123	$ 212,110	$ 198,518	$ 182,500
General Operations and Admin Expenses (4)	$ 87,000	$ 116,860	$ 97,600	$ 97,600	$ 97,600
TOTAL OPERATIONAL EXPENSES	$ 343,200	$ 417,983	$ 309,710	$ 296,118	$ 280,100
NET INCOME	**$ 135,722**	**($ 5,237)**	**$ 10,400**	**$ 8,400**	**$ 6,400**
RETAINED EARNINGS	**$ 209,421**	**$ 68,462**	**$ 78,862**	**$ 87,262**	**$93,662**

Notes:

1. Membership Dues: Each of the 14 member institutions pay annual dues based on size of each institutions' funded training plan.

2. Contribution Revenues: These are restricted contributions for special projects. The revenue is recognized as the associated costs are incurred.

3. Project Expenses: The organization receives externally restricted funding for specific projects to advance industry training initiatives; costs are expensed as incurred.

4. General Operations and Admin Expenses: These are the costs to organize the consortium and facilitate the strategy and planning to determine priority projects to advance the industry.

MAJOR RISKS AND OPPORTUNITIES THAT AFFECTED FINANCIAL PERFORMANCE

As a result of being brought into the GRE in 2012, TTBC has had to adjust its operations to accommodate the additional reporting requirements associated with being designated a GRE.

TTBC managed within its 2012/13 Budget. The main financial and operational risk for TTBC continues to be the in-kind support and level of annual membership fees it receives from its 14 members, and, to a lesser extent, the revenues it expects to receive from special projects; if the membership fees are reduced or eliminated, this will significantly restrict TTBC's financial resources and its ability to fulfill its mandate and stated goals.

The primary risk for TTBC's 14 institution members has been the unpredictability in the level of ITA funding received for the members' annual trades training programming, and the continuing reliance by the ITA on one-time, Labour Market Agreement (LMA) funds to supplement core trades training programming funding.

FUTURE OUTLOOK

TTBC will continue to work with its 14 public post-secondary training institution members in order to promote trades training throughout British Columbia, and to develop a system-wide trades training plan that aligns with BC's current labour market needs. TTBC will also continue to facilitate collaboration between member institutions and look for additional opportunities to leverage the public training infrastructure, to address the future labour market requirements of BC.

STATEMENT OF MANAGEMENT RESPONSIBILITY

The Financial Statements for the Trades Training Consortium of British Columbia for the year ended March 31, 2013 have been prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the Financial Statements. Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

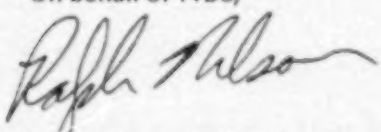
The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises this responsibility as required. The Board reviews the external audited Financial Statements yearly.

The external auditors conduct an independent examination in accordance with Canadian auditing standards; it is their responsibility to express an opinion on whether the Financial Statements fairly represent TTBC's financial position in accordance with Public Sector Accounting Standards. The Auditors' Report, which follows, outlines the scope of their examination and their opinion.

Supplementary Documents and Statements

The signed Auditor's Report, Audited Financial Statements and accompanying notes to the Financial Statements follow.

On behalf of TTBC,



Ralph Nilson, Ph.D., Chair, TTBC
President and Vice-Chancellor,
Vancouver Island University
June 12, 2013

Financial Statements of

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Year ended March 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Trades Training Consortium of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of Trades Training Consortium of British Columbia, which comprise the statement of financial position as at March 31, 2013 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trades Training Consortium of British Columbia as at March 31, 2013, and its results of operations, changes in net financial assets and its cash flows for the year then end in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian public sector accounting standards have been applied on a consistent basis

Chartered Accountants

May 16, 2013

Burnaby, Canada

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Financial Position

March 31, 2013, with comparative information for 2012

	2013	2012
Financial assets:		
Cash	$ 159,733	$ 345
Investments (note 3)	800,000	1,169,038
Accounts receivable	45,224	20,419
	1,004,957	1,189,802
Liabilities:		
Accounts payable and accrued liabilities	68,365	105,125
Deferred contributions (note 5)	868,130	1,019,252
	936,495	1,124,377
Net financial assets	$ 68,462	$ 65,425
Non-financial assets:		
Tangible capital assets (note 4)	-	8,274
Accumulated surplus	$ 68,462	$ 73,699

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

Director

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Operations and Accumulated Surplus

Year ended March 31, 2013, with comparative information for 2012

	Budget (note 8)	2013	2012
Revenue:			
Restricted contributions recognized as revenue (note 5)	$ 373,922	$ 301,122	$ 4,433,471
Membership dues	100,000	100,000	100,000
Interest and other income	5,000	11,624	24,345
Other income	-	-	20,420
	478,922	412,746	4,578,236
Expenses:			
Administration	87,000	116,860	144,822
Trades training development projects	256,200	301,123	4,433,471
	343,200	417,983	4,578,293
Annual surplus (deficit)	135,722	(5,237)	(57)
Accumulated surplus, beginning of year	73,699	73,699	73,756
Accumulated surplus, end of year	$ 209,421	$ 68,462	$ 73,699

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Changes in Net Financial Assets

Year ended March 31, 2013, with comparative information for 2012

	Budget	2013	2012
Annual surplus (deficit)	$ 135,722	$ (5,237)	$ (57)
Amortization of tangible capital assets	-	8,274	22,589
Increase in net financial assets	135,722	3,037	22,532
Net financial assets, beginning of year	65,425	65,425	42,893
Net financial assets, end of year	$ 201,147	$ 68,462	$ 65,425

See accompanying notes to financial statements.

TRADES TRAINING CONSORTIUM OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Annual deficit	$ (5,237)	$ (57)
Non-cash item:		
Amortization of tangible capital assets	8,274	22,589
Restricted contributions recognized as revenue	(301,122)	(4,433,471)
Changes in non-cash working capital:		
Increase in accounts receivable	(24,805)	(20,419)
Increase (decrease) in accounts payable and accrued liabilities	(36,760)	48,066
Deferred contributions received	150,000	4,956,000
	(209,650)	572,708
Investing:		
Redemption of investments	1,169,038	-
Acquisition of investments	(800,000)	(587,799)
	369,038	(587,799)
Increase (decrease) in cash	159,388	(15,091)
Cash, beginning of year	345	15,436
Cash, end of year	$ 159,733	$ 345

See accompanying notes to financial statements.

1. Operations:

The Trades Training Consortium of British Columbia (the "Consortium") was incorporated on September 8, 2005 under the Society Act (British Columbia). The purpose of the Consortium is to promote trades training in British Columbia through encouraging and supporting communication and co-ordination among British Columbia educational institutions and businesses. The Consortium members are comprised of fifteen educational institutions in British Columbia that offer trades training programs. The Consortium is exempt from income taxes.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Canadian Public Sector Accounting Board ("PSAB"), incorporating the following significant accounting policies:

(a) Revenue recognition:

Government transfers and externally restricted contributions are deferred and recognized as revenue when the associated stipulations per the agreements are met. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Investments:

Investments consist of guaranteed investment certificates (GICs).

(c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives that may extend beyond the current year and are not intended for sale in the ordinary course of operations.

(d) Tangible capital assets:

Tangible capital assets comprise software developed for the Consortium, are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis at rates that reflect estimates of the economic life of the asset, being 5 years.

(e) Contributed services:

Employees from member educational institutions contribute time to the Consortium each year. Any donated services are not recognized in the financial statements. Any services provided under a contract are recorded based on the values agreed in the contract.

2. Significant accounting policies (continued):

(f) Use of estimates:

In preparing the financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. A significant area of estimate relates to the useful lives for amortization of tangible capital assets. Actual results could differ from those estimates.

(g) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. The fair value category includes derivatives, portfolio investments in equity instruments that are quoted in an active market, and any other items elected by the Consortium to be recorded at fair value. All other financial instruments are recorded at amortized cost. Transaction costs are added to the amortized cost or expensed if they relate to instruments recorded on a fair value basis. The effective interest rate method is used to recognize interest.

The Consortium does not have any financial instruments that are required or elected to be recorded at fair value. The Consortium has not entered into any derivative contracts or identified any embedded derivatives.

(h) Segmented reporting and functional presentation:

The operations of the Consortium are comprised of a single function, promoting trades training. As a result, there are no additional segmented disclosures.

3. Investments:

Investments consist of guaranteed investment certificates with maturity dates within the next fiscal year. Interest rate on the investments is approximately 1.0% (2012 – 1.0%). The fair value of the investments approximates book value due to their short-term nature.

4. Tangible capital assets:

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value
Computer software	$ 150,323	$ 150,323	$ -	$ 8,274

5. Deferred contributions:

Deferred contributions represent externally restricted contributions received by the Consortium for specific projects and programs. The amounts are recognized as revenue when spent on the specified projects or programs. Changes in deferred contributions are as follows:

	2013	2012
Balance, beginning of year	$ 1,019,252	$ 496,723
Amounts received during the year	150,000	4,956,000
Recognized as revenue in the year	(301,122)	(4,433,471)
Balance, end of year	$ 868,130	$ 1,019,252

6. Fair value of financial instruments:

The Consortium's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short maturities.

7. Expenses by object:

	2013	2012
Administration	$ 6,945	$ 12,714
Amortization	8,274	22,589
Bank charges	106	100
Computer support	87,523	188,724
Training plan development by ITA	196,474	4,250,000
Professional fees	118,661	104,166
Total expenses	$ 417,893	$ 4,578,293

8. Budget data:

The audited budget data presented in these financial statements is based on the 2013 operating budget approved by the Board of Directors on January 23, 2012.

9. Related party transactions:

During the year, the Consortium had the following related party transactions:

	2013	2012
Computer services and training plan tool development by members of the Consortium	$ 76,108	$ 130,766
Fees paid to the Industry Training Authority for development of a training plan	196,474	4,250,000
Funding received from the Province of B.C.	150,000	4,631,000
Funding received from Industry Training Authorities	-	325,000
Management services by a Consortium officer's company	60,420	60,480
Project management services by a Consortium member	30,726	26,544

As at March 31, 2013, the Consortium had a balance owing to related parties of $54,254 (2012 - $61,698).